THE WOODLANDS TOWNSHIP

BOARD OF DIRECTORS

WORKSHOP MEETING

FEBRUARY 16, 2012

MINUTES

THE STATE OF TEXAS

COUNTIES OF HARRIS & MONTGOMERY

The Board of Directors of The Woodlands Township met in a workshop session, open to the public, on February 16, 2012, posted to begin at 7:30 a.m. The workshop was held at the office of The Woodlands Township, Town Hall, 2801 Technology Forest Boulevard, The Woodlands, Texas, within the boundaries of The Woodlands Township.

DIRECTORS PRESENT: Chairman Bruce Tough, Vice Chairman Lloyd Matthews, Secretary Claude

Hunter, Treasurer Robb, Director Nelda Blair, Director Tom Campbell, and

Director Peggy Hausman

DIRECTORS ABSENT: None

STAFF/ADVISORS: Don Norrell, President/General Manager; John Powers, Assistant General

Manager Community Services, Monique Sharp, Assistant General Manager of Finance & Administration, Alan Benson, Woodlands Fire Chief, Susan Welbes, Director of Human Resources, Nick Wolda, Director of Community Relations/CVB President, Mary Connell, Manager of Community Relations,

Mike Page and Bret Strong, Legal Counsel

Item #1-Pledge of Allegiance;

Director Campbell led the Pledge of Allegiance to the United States flag and Texas State flag.

<u>Item #2-Call to Order;</u>

Chairman Tough called the workshop session to order at 7:32 a.m. and declared that notice of this meeting was posted 72 hours in advance at the Courthouse of Montgomery and Harris Counties and inside the boundaries of The Woodlands Township at the office building located at 2801 Technology Forest Boulevard, The Woodlands, Texas. As there was a quorum of members present, the Board proceeded to conduct business regarding the following matters.

Item #3-Consider and act upon adoption of the meeting agenda:

Chairman Tough requested that Briefing Item #7 and Consent Agenda Items "d" and "e" be moved up on the agenda.

MOTION: Motion by Secretary Hunter, second by Director Blair to adopt the agenda with the above

changes. VOTE:

Aves: Chairman Tough

Vice Chairman Matthews

Secretary Hunter
Treasurer Robb
Director Blair
Director Campbell
Director Hausman

Nays: None Abstentions: None Absent: None

ACTION: Motion passed unanimously.

Item #4-Recognize Public Officials:

- Mike Bass-Development Standards Committee member
- Ted Stanley-President, College Park Village Association
- Paul Martin-College Park Village Association Area Representative

Item #5-Public Comment;

The following individuals addressed the Board:

 Mike Bass-11 E. Double Green Circle provided comments regarding the FM 2978 noise study matter

Note: Briefing Item #7 and Consent Agenda Items #6(d) and #6(e) were taken out of order.

<u>Item #7-Receive an update from San Jacinto River Authority (SJRA) regarding the status of the surface water conversion project;</u>

Mark Smith, Groundwater Reduction Plan (GRP) Administrator, gave a PowerPoint presentation to the Board regarding the status of the surface water conversion project. Mr. Smith noted that the design phase of the project is approximately 30% complete and preliminary routes for proposed transmission lines have been formulated.

Mr. Smith and Ms. Rhonda Trough, Public Relations Director for the project, assured the Board that the San Jacinto River Authority (SJRA) is committed to keeping the lines of communication open with the public. Several public forums are being planned in the upcoming weeks and months.

Following Mr. Smith's presentation, the Board was given the opportunity to ask questions and make comments. This item was for information sharing only.

Item #6(d)-Receive, consider and act upon a recommendation from the Audit Committee to accept the Hotel Occupancy Tax Agreed-Upon Procedures Report for 2010;

Monique Sharp presented background information on this item and then reviewed the procedures and findings from an Agreed-Upon Procedures Report prepared by Karlins and Ramey, LLC. No significant discrepancies were noted in the report. It was reported that one hotel actually overpaid hotel occupancy tax to the Township.

Following Ms. Sharp's presentation, Chairman Tough called on Director Campbell, Chair of the Audit Committee to make a recommendation. Director Campbell recommended that the Board approve the recommendation from the Audit Committee to accept the Hotel Occupancy Tax Agreed-Upon Procedures Report for the year ended December 31, 2010. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

<u>Item #6(e)-Receive, consider and act upon a recommendation from the Audit Committee to accept</u> <u>the Convention Center Booking and Blocking Agreed-Upon Procedures Report for 2010;</u>

Monique Sharp presented background information on this item and then reviewed the findings as reported by representatives of Karlins and Ramey, LLC who prepared the Independent Accountant's Report on Applying Agreed-Upon Procedures. It was noted that two instances of non compliance were found and that the Booking and Blocking Committee and Marriott Hotel were both made aware of the deficiencies.

Following Ms. Sharp's presentation, Chairman Tough called on Director Campbell, to make a recommendation. Director Campbell recommended that the Board approve the recommendation from the Audit Committee to accept the Convention Center Booking and Blocking Agreed-Upon Procedures Report for the year ended December 31, 2010. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

POTENTIAL CONSENT AGENDA:

(This agenda consists of non-controversial or "housekeeping" items required by law that will be placed on the Consent Agenda at the next Board Meeting and may be voted on with one motion. Items may be moved from the Consent Agenda to the Regular Agenda by any Board Member making such request.)

Item #6-Receive and consider the potential Consent Agenda;

a) Receive, consider and act upon approval of the minutes of the January 10, 2012 Special Meeting, January 19, 2012 Board Workshop, January 25, 2012 Regular Meeting, January 25, 2012 Volunteer Recognition and Town Hall Meeting, and January 27, 2012 Emergency Special Meeting of the Board of Directors of The Woodlands Township;

Chairman Tough asked the Board to review the minutes. Director Campbell commented that the minutes looked fine, but requested that a matrix be made for the January 27, 2012 Emergency Special Board meeting.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

b) Receive, consider and act upon the annual review of The Woodlands Township's Investment Policy and adoption of a Resolution Adopting Investment Policies and Guidelines for The Woodlands Township;

Monique Sharp presented background information on this item. Mike Page, legal counsel, was called on to provide additional clarification on this item. Mr. Page referred the Board to a memo that outlined proposed changes to the Township's Investment Policies. A copy of a Resolution Adopting Investment Policies and Guidelines for The Woodlands Township, with the proposed changes, was also presented to the Board. Board discussion followed Mr. Page's presentation. It was recommended that the Board adopt a Resolution Adopting Investment Policies and Guidelines for The Woodlands Township.

This item will be brought forward to the February 23, 2102 regular Board meeting for consideration and action under the Consent Agenda.

c) Receive, consider and act upon adoption of a Resolution Adopting a List of Qualified Brokers authorized to engage in investment transactions with The Woodlands Township;

Monique Sharp presented background information on this item. The Board was provided a revised list of qualified brokers authorized to engage in investment transactions with the Township. Ms. Sharp then recommended that the Board adopt a Resolution Adopting List of Qualified Brokers Authorized to Engage in Investment Transactions with The Woodlands Township. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

f) Receive, consider and act upon approval of The Woodlands Township's participation in Purchasing Solutions Alliance and authorize the President/General Manager to execute the Interlocal Agreement in connection therewith;

Monique Sharp presented background information on this item and explained to the Board that a benefit of membership in the Purchasing Solutions Alliance (PSA) Cooperative Purchasing Program is that it would allow the Township to reduce its expenditures for office supplies. In order to become a member of PSA, an Interlocal Purchasing Agreement is required. There are no membership fees with PSA.

Ms. Sharp then recommended that the Board approve The Woodlands Township's participation in Purchasing Solutions alliance and authorize the President/General Manager to execute the Interlocal Purchasing Agreement in connection therewith. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

g) Receive, consider and act upon an amendment to the agreement between Montgomery County Water Control and Improvement District No. 1 (WC&ID #1) and The Woodlands Township regarding recycling services to Hillock Woods;

Chairman Tough called on Don Norrell to present this item. Mr. Norrell informed the Board that the Township received an email petition from a resident residing on Hillock Woods in the Grogan's Point neighborhood requesting recycling service to this area. This service was discontinued by the Township in 2010 following an agreement between the Township and The Montgomery County Water Control and Improvement District No. 1 (WC&ID #1).

The Board was informed that a proposed amendment to the 2010 agreement would allow residents of Hillock Woods to receive recycling services through The Woodlands Township's contract with Waste Management. Board discussion followed with some concerns raised about special treatment being given to residents of Hillock Woods.

It was the decision of the Board to pull this item from the Consent Agenda. This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Regular Agenda.

h) Receive, consider and act upon approval of an amended 2012 meeting calendar for The Woodlands Township Board of Directors;

Don Norrell presented this item. Mr. Norrell referred the Board to an amended calendar in their meeting book with the amended dates highlighted for easy reference. Mr. Norrell recommended that the Board approve the amended 2012 meeting schedule as presented. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

i) Receive, consider and act upon approval of proposed dates for budget meetings and public hearing related to the 2013 Budget and 2012 property tax rate;

Monique Sharp presented a proposed calendar for budget meetings and public hearings related to the 2013 budget and 2012 property tax rate. Ms. Sharp then recommended that the Board approve the dates for budget meetings and public hearings as presented. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

i) Receive, consider and act upon reappointment to the Law Enforcement Advisory Council;

John Powers presented background information on this item and then recommended that the Board reappoint Mr. Boyd Burdett as the business representative to serve on the Law Enforcement Advisory Council for a two year term ending on December 31, 2013. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

BRIEFING ITEMS:

Item #8-Receive an update regarding wages, benefits and working conditions for Firefighters and Dispatchers:

Susan Welbes was called on to present this item. Ms. Welbes explained that as a result of the collective bargaining referendum being defeated, firefighters and dispatchers are no longer covered by a labor agreement. The Board was also informed that beginning January 1, 2012 firefighters became eligible for an exemption from a requirement to be paid overtime pay for hours worked over forty hours per week.

The above issues will be discussed together during the Board's June budget work session. This will allow the Board and staff to carefully analyze the issues prior to preparation of the 2013 Budget.

POTENTIAL REGULAR AGENDA:

(This agenda consists of items that will be placed on the Regular Agenda at the next Board of Directors' meeting.)

Item #9-Receive, consider and act upon a presentation from Partners for Strategic Action regarding the results of the financial model, accept the results of the financial model and authorize the consultants to proceed with the community outreach program;

Curt Dunham, CEO of Partners for Strategic Action (PSA) made a presentation to the Board. Mr. Dunham reported on two substantive changes made to Working Paper #2-Financial Model and Results since last meeting with the Board in January. One change included the re-evaluation of road maintenance projects submitted by Montgomery County. Several projects were determined to be outside Township boundaries and would not be the responsibility of the Township should it be incorporated. The second change included additional language explaining some of the unique components of The Woodlands Township when compared to some comparable communities.

Mr. Dunham remarked that public meetings will be essential to the governance process in order to educate the public with what the current costs are for service versus what they potentially could be should incorporation take place. A schedule of upcoming activities that PSA will help facilitate was then presented and included the following:

- February 16 and 17-resident focus groups meeting to test PSA's message (current costs for services as things are today versus what they might be should the Township incorporate);
- Early March-meeting with The Woodlands Chamber of Commerce and Economic Development Partnership:
- March 29 and 31-community forums at the John Cooper School and Woodlands Fire Training Facility;
- Late May-PSA to provide a summary report of their findings to the Board

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Regular Agenda.

Item #10-Receive, consider and act upon selection of a consultant for the 2012 Resident Survey;

Nick Wolda commented that four Requests for Proposals (RFP) had been received and that staff was currently evaluating them.

Chairman Tough informed the Board that this item will be presented at the February 23, 2012 regular Board meeting for consideration and action under the Regular Agenda.

Item #11-Receive, consider and act upon a request from Director Campbell regarding the Audit Committee's review of all professional contracts related to service delivery;

Chairman Tough called on Director Campbell to present this item. Director Campbell, Chair of the Audit Committee, commented that questions had come forward regarding a lack of adequate information and clarity on invoices received for professional services, particularly for legal and consultant services.

Director Campbell proposed that the Audit Committee be allowed to use staff time and expenditures to gather examples of invoices in order for the Audit Committee to develop a response to present to the

Board for consideration. Board discussion followed with a request that the Audit Committee provide the Board with more details and a list of examples to be considered.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Regular Agenda.

<u>Item #12-Receive, consider and act upon a tax abatement agreement between The Woodlands Township and Anadarko Realty, LLC;</u>

Don Norrell presented background information on this item. The Board was informed that Montgomery County Commissioner's Court approved a tax abatement with Anadarko Realty, LLC on January 23, 2012 for property located at 1201 Lake Robbins Drive, The Woodlands, Texas. Mr. Norrell commented that the Township had also received a request for Township Tax abatement on this same property from Anadarko and that the Township's Tax Abatement Policy mirrors Montgomery County's Tax Abatement Policy, Guidelines & Criteria.

Mr. Norrell then recommended that the Board approve the tax abatement agreement with Anadarko Realty, LLC and authorize the Board Chairman to sign the tax abatement agreement in connection therewith. Board discussion followed.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Regular Agenda.

<u>Item #13-Receive, consider and act upon approving a contract with The Goodman Corporation</u> (TGC) for transportation consulting services for the 2012 calendar year;

Miles McKinney presented background information on this item and outlined the 2012 Scope of Services that TCG would provide to The Woodlands Township under its contract. Bryan Brown, with TGC, was present to provide clarification on this item.

Mr. McKinney then recommended that the Board approve TGC's calendar year 2012 consulting recommendations and authorize the President/General Manager to execute an agreement on behalf of The Woodlands Township for the TGC proposed Scope of Services.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Regular Agenda.

Item #14-Receive, consider and act upon approval of Resolution No. 006-12, amending Resolution No. 003-10 Establishing Authorization Limits for Commitments and Agreements, Checks and Disbursements, and other Documents and Materials by the Board of Directors, Board Officers, President/General Manager and Assistant General Manager-Finance and Administration of The Woodlands Township, and Containing Other matters Relating to the Subject;

Monique Sharp presented background information on this item with a recommendation that the Board approve Resolution No. 006-12 that would allow the President/General Manager to amend existing commitments or agreements having a term of more than one year in instances where the scope of work for the existing contract had previously received Board approval and where the scope of the additional work was under \$10,000. Board discussion followed. Vice Chairman Matthews proposed increasing the amount to \$20,000 and placing this item on the Consent Agenda. There was no objection to the proposal.

This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Consent Agenda.

<u>Item #15-Receive, consider and act upon the drought response and a budget amendment in connection therewith;</u>

John Powers presented this item with a recommendation that the Board approve a 2012 budget amendment of \$1,886,100 resulting from favorable revenue and expenditure budget variances realized during the 2011 budget year to fund the following:

- 1. \$818,600 in additional contracted tree removal services;
- 2. \$10,000 for an independent forest audit to determine tree mortality rates and recommendation for reforestation:
- 3. \$189,500 for the streetscape tree removal budget;
- 4. \$868,000 for equipment, irrigation system expansion and additional reforestation efforts in 2012 which includes: the purchase of two water trucks and funding for all or a portion of their potential 2012 operating costs (\$132,000), to initiate the planning and design of the expansion for existing irrigation systems in neighborhood entries (\$102,000), additional reforestation efforts, provided weather conditions are favorable (\$634,000) and authorize the President/GM to enter into tree removal contracts using unit prices based upon established competitive bid prices and specifications approved previously by the Board.

Board discussion followed. This item will be brought forward to the February 23, 2012 regular Board meeting for consideration and action under the Regular Agenda.

CLOSED MEETING (if applicable)

Item #16:

Recess to Executive Session to discuss matters relating to real property pursuant to §551.072, Texas Government Code; deliberation of economic development negotiations pursuant to §551.087, Texas Government Code; discuss personnel matter pursuant to §551.074, Texas Government Code; and to consult with The Woodlands Township's attorney concerning pending litigation pursuant to §551.071, Texas Government Code;

Chairman Tough announced that it would not be necessary to recess to Executive Session.

Item #17:

Reconvene in Public Session:-Not necessary

Item #18-Administrative Reports;

Community Services Report-presented by John Powers:

 Daddy Daughter Dinner Dance was held Saturday, February 11, 2012 at The Woodlands Waterway Marriott with 500 in attendance;

- The Woodlands High School Boys Soccer Club performed extensive maintenance on the grounds of both Post Offices:
- A public meeting was held at the WFD Emergency Training Center to provide information to residents regarding a proposed Char Dham Temple;
- Next Watch Talk Wednesday program will be held February 22 with a presentation by Montgomery County District Attorney Brett Ligon on "Driving While Intoxicated,"
- Neighborhood Services department will conduct several watch meetings over the next few weeks;
- Good Neighbor Day will be held on March 3 on Green Print Circle in the Village of Creekside Park;
- Spring Concert in the Park series at Northshore Park begins March 11 with Texas Renegade and continues every Sunday evening until April 29;
- Community Involvement Day planned for March 17 for the Copper Sage neighborhood in the Village of Cochran's Crossing;
- Village Associations Community Wide Flea Market will be held March 24 at the Cynthia Woods Mitchell Pavilion Parking Garage;
- Earth Day GreenUp is scheduled for March 31;
- Development Standards Committee is considering changes to the Standards regarding waste container/cart screens;
- Planning for 2012 Memorial Hermann Ironman Texas is underway;
- Parks and Recreation department is hosting the Texas Recreation and Parks Society (TRAPS) state wide Institute and Expo at The Woodlands Waterway Marriott February 29-March 2, 2012;
- LJA Engineering retained to conduct the feasibility study of the potential sports field sites for a fee
 of \$25,150;
- 7/8 Town Center Rangers have been hired;
- Township employee blood drive on February 21 from 10 a.m.-2:30 p.m.;
- Lake Paloma Trail closed from late February through August 2012 from Wrangler Pass to New Harmony Trail and New Harmony Trail from Lake Paloma Trail to Creekside Green Drive;
- Traffic light project at the intersection of Lake Woodlands Drive and Kuykendahl to be completed within the next two weeks;
- Anadarko expansion project-an overhead protective barrier will be erected by D.E. Harvey.

Community Policing Report-presented by John Powers:

- District 6 new positions have been filled;
- Lt. Ronnie Glaze with Harris County Constable's Office-Precinct 4 reported no major incidents;
- Notable Arrests: arrested suspects involved in a purse snatching that occurred at The Woodlands Mail:
- A&O Trooper, Kim Simpson, assisted with the arrest of a suspicious person spotted trying to open a car door;
- Reminder that the weekly blotter & crime statistics are on the Township's website;
- Montgomery County Sheriff's Office and Harris County Constable's Office attended several Village Association meetings and Neighborhood Services watch programs;
- Preparing law enforcement presence for 2012 CVB events

Woodlands Fire Department Report-presented by Chief Benson:

- Grand opening of Fire Station #8 on Thursday, February 23, 2012;
- Central Fire Station will be demolished over the next week

Woodlands CVB Report-presented by Nick Wolda:

- Retail and hotel sales tax climbing;
- Over 12,000 hotel room bookings made during first six weeks of 2012;
- Destination Marketing advertising efforts are underway;
- Woodlands Marathon, Ironman Texas and Dave Matthews Band events are all sold out;
- Waterway Cruiser ridership is up by 84% compared to last year;
- 2012 CVB events include Live @ Night, Memorial Day weekend, Waterway Nights, Red, Hot & Blue Festival, Labor Day weekend, Trick or Treat Trail, Lighting of the Doves/iWOW and Caroling on the Square

Item #19-Consideration of items to be placed on the agenda for next month's meeting:

- Director Campbell requested information on polling locations for the May 12, 2012 election;
- Director Hunter inquired about ways the Township could assist with getting information out regarding private donations for the Veteran's Memorial at Town Green Park;
- Director Robb commented that the Township sign at the old Service Center location needs to be removed or covered up;
- Director Robb would like an inventory of street lights that are out in the Town Center area as well as any decorative lights on trees that are out;
- Director Hausman requested an update on LWPOA assessments;
- Director Hausman requested a review of the Township's policy on sponsoring tables for philanthropic events;
- Director Hausman requested a financial analysis on the trolleys and cruisers;
- Director Hausman would like a calendar of events added to the Director's iPads as well as email addresses of staff;
- Director Hausman requested that Consent Agenda Item #6(g), regarding Hillock Woods, be pulled from the Consent Agenda and placed on the Regular Agenda for the February 23, 2012 Board meeting.

Item #20-Board announcements;

• Chairman Tough reminded the Board that the regular Board meeting next week will be held on Thursday, February 23, 2012 at 6 p.m.

Item #21-Public comment; and

There was no public comment.

Item #22-Adjournment

MOTION: Motion by Secretary Hunter to adjourn the meeting at 10:54 a.m., second by Director Campbell

VOTE: Ayes: Chairman Tough

Vice Chairman Matthews

Secretary Hunter Treasurer Robb Director Blair Director Campbell

Director Hausman

Nays: None Abstentions: None Absent: None

None

ACTION: Motion passed unanimously.



Claude Hunter Secretary, Board of Director